



**Volunteer  
Leadership  
Institute - Hawaii**

# **AN OUTLOOK ON PAYMENTS: HOW THE LANDSCAPE IS EVOLVING**

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**Shonda Clay**

*Executive Vice President*

*Chief of Product & Relationship Management*

*Federal Reserve Financial Services*

## **Learning Objectives**

1. Review how payments have evolved.



# An Outlook on Payments: How the Landscape is Evolving

Shonda Clay

Executive Vice President & Chief Product and Relationship Officer

# Pulse Check



A person is sitting on a wooden dock in a calm lake, surrounded by steep, forested mountains. The scene is peaceful and scenic, with the mountains and trees reflected in the water. The person is seen from behind, looking out over the landscape.

# General Reflection: Innovation in Payments

# Customers don't ask for instant payments — they expect them

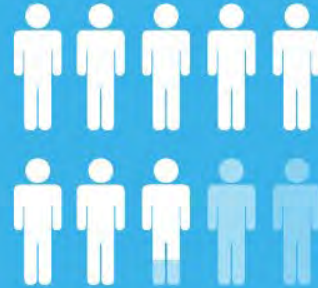


of consumers live paycheck to paycheck

(42% of whom earn more than \$100K per year)<sup>1</sup>

96%  
of businesses that offer earned wage access said it helped attract talent<sup>2</sup>

CONVENIENCE  
RULES  
IN PAYMENTS



78%  
of consumers are highly satisfied receiving disbursements instantly<sup>3</sup>



2 in 3

businesses have made or received payments from digital wallets (just 45% same-day ACH)<sup>4</sup>



of consumers use digital wallets more often than traditional payment methods<sup>5</sup>

59,084  
U.S. jobs offer same-day pay<sup>6</sup>

Free instant payments  
**NEARLY DOUBLE**  
the likelihood they'll remain as clients<sup>3</sup>

# Use case: Payroll and earned wage access



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## Benefit

- Payment service providers improve end-user experience, generate new revenue, stay competitive
- Instant access to earned wages for employees
- Employers can better manage cash flow, reduce churn/recruitment/retention costs

# Use case: Auto loan funding





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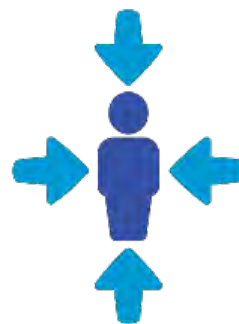


## Benefit

- Reduced time for dealers to receive funds from days to seconds, 24x7x365
- Better control of cash flow, competitive edge and peace of mind
- Financial institutions can grow their market share by offering this capability, providing lower-risk revenue opportunities

# Reaping the benefits of **instant payments**

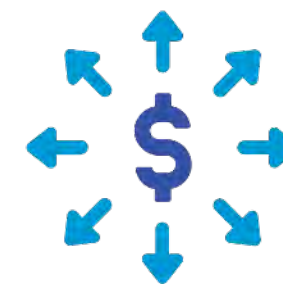
Instant payments can open avenues to drive revenue growth and create new revenue streams



**New customer segments**



**Value-added business benefits**



**Cross-selling products**



**Better customer experience**



**Loan revenue opportunities**



**Expedited bill payments**



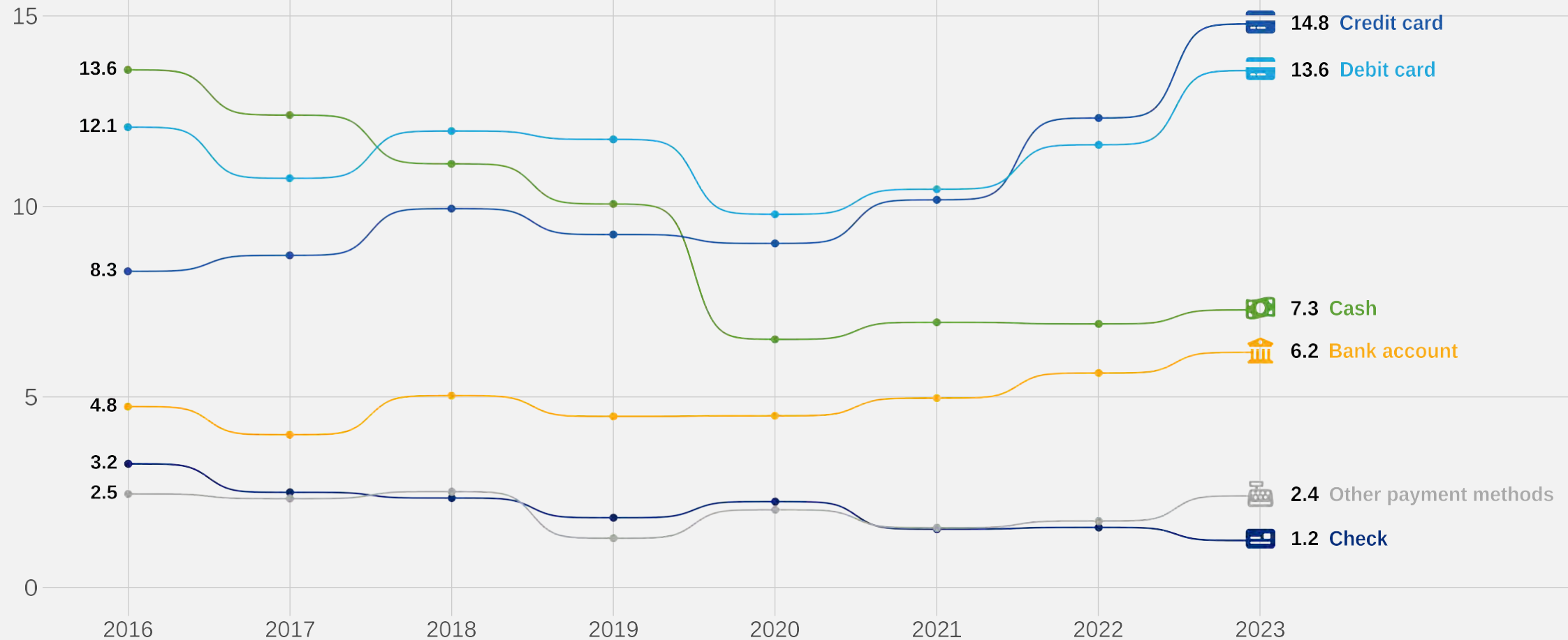
# Innovations Beyond Instant Payments



The View: An *Evolving*  
Payments Landscape

# Payment Trends

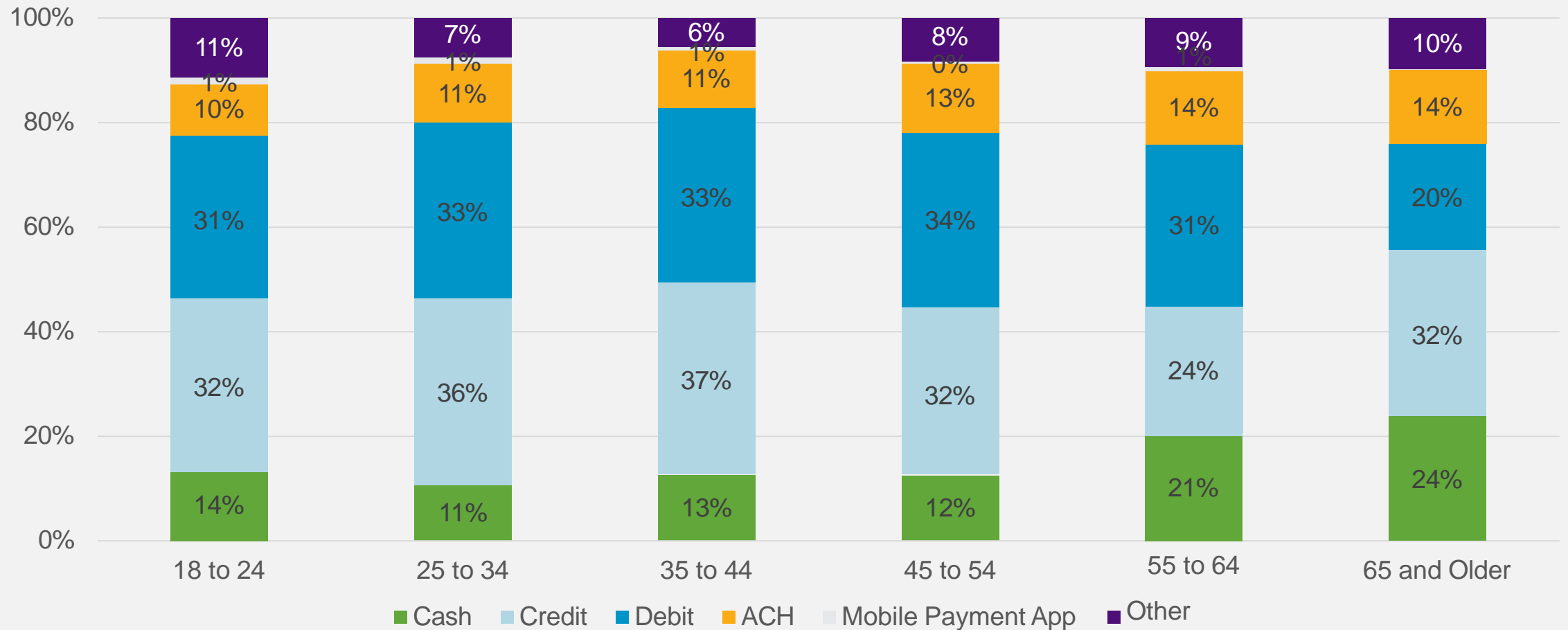
Diary of Consumer Payment Choice: Average Number of Total Payments



Source: [2024 Findings from the Diary of Consumer Payment Choice](#)

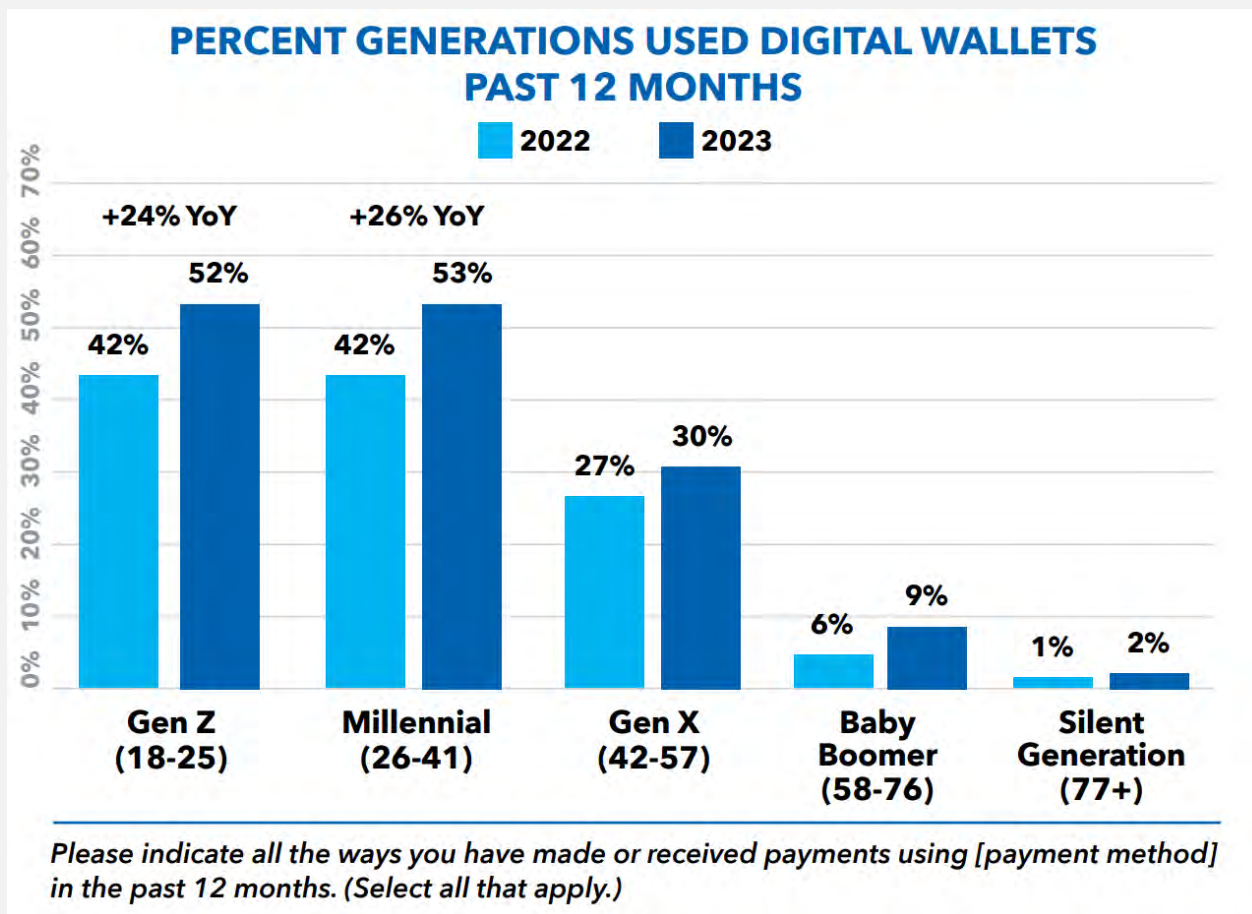
# Payment Trends

Figure X: Share of payment instrument use by age



Source: [2024 Findings from the Diary of Consumer Payment Choice](#)

# Payment Trends

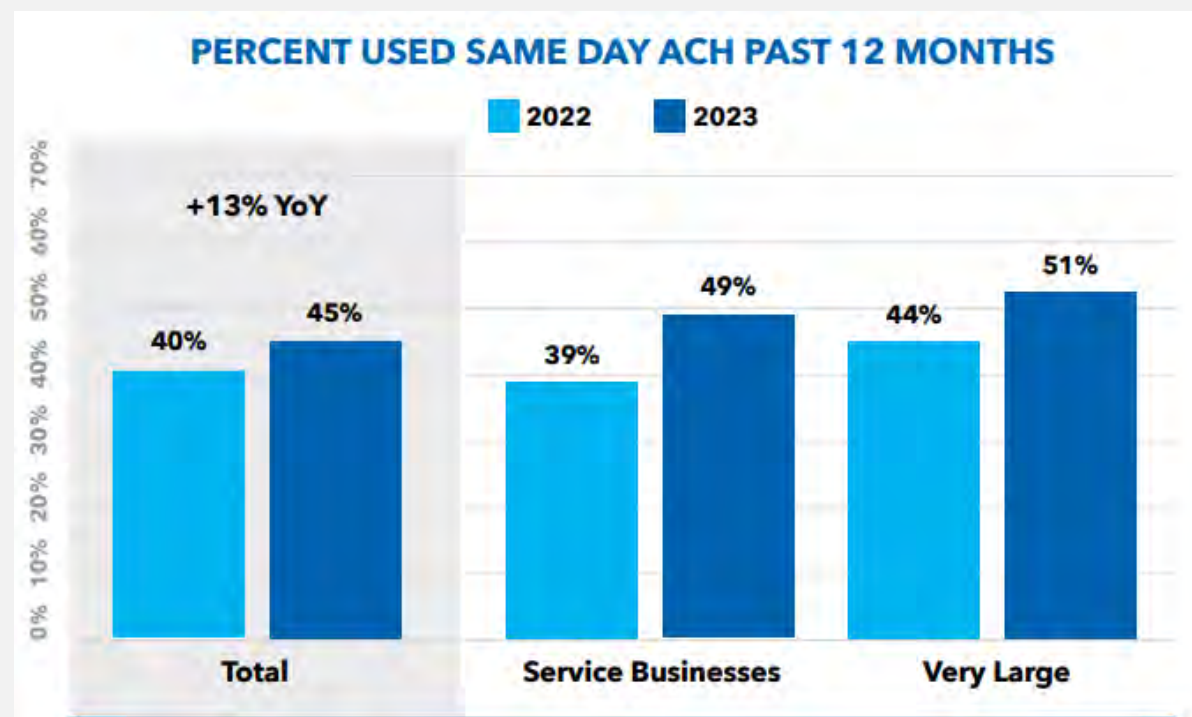
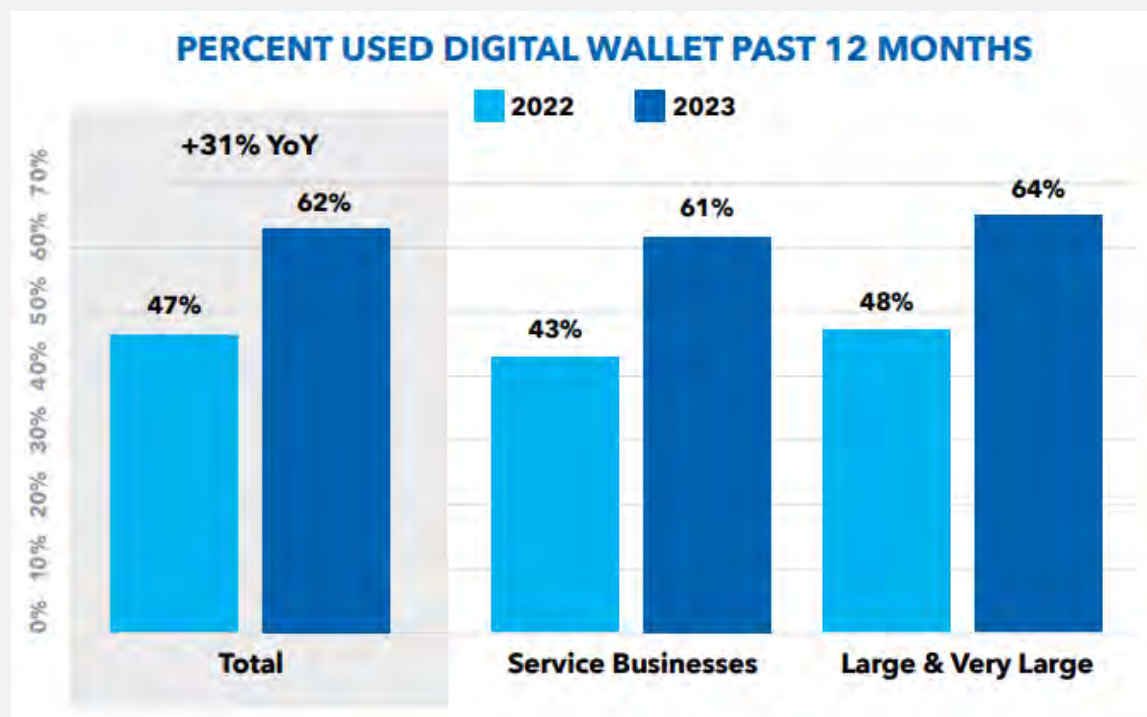


“It is extremely convenient not to have to pull your physical wallet out, and when the cashier actually understands how to process digital wallet payments, it makes shopping much faster. I also never carry cash, so it’s difficult to pay friends back sometimes.”

[Federal Reserve Payments Insight Brief: Banking my way – Gen Z and millennials are driving change in payments](#)

Source: [Findings from Faster Payments Survey of U.S. Consumers](#)

# Payment Trends



Source: [Findings from Faster Payments Survey of U.S. Businesses](#)





Working Together to  
Build a Contemporary  
Payments System

**THE FEDERAL RESERVE**  
—  *Financial Services*